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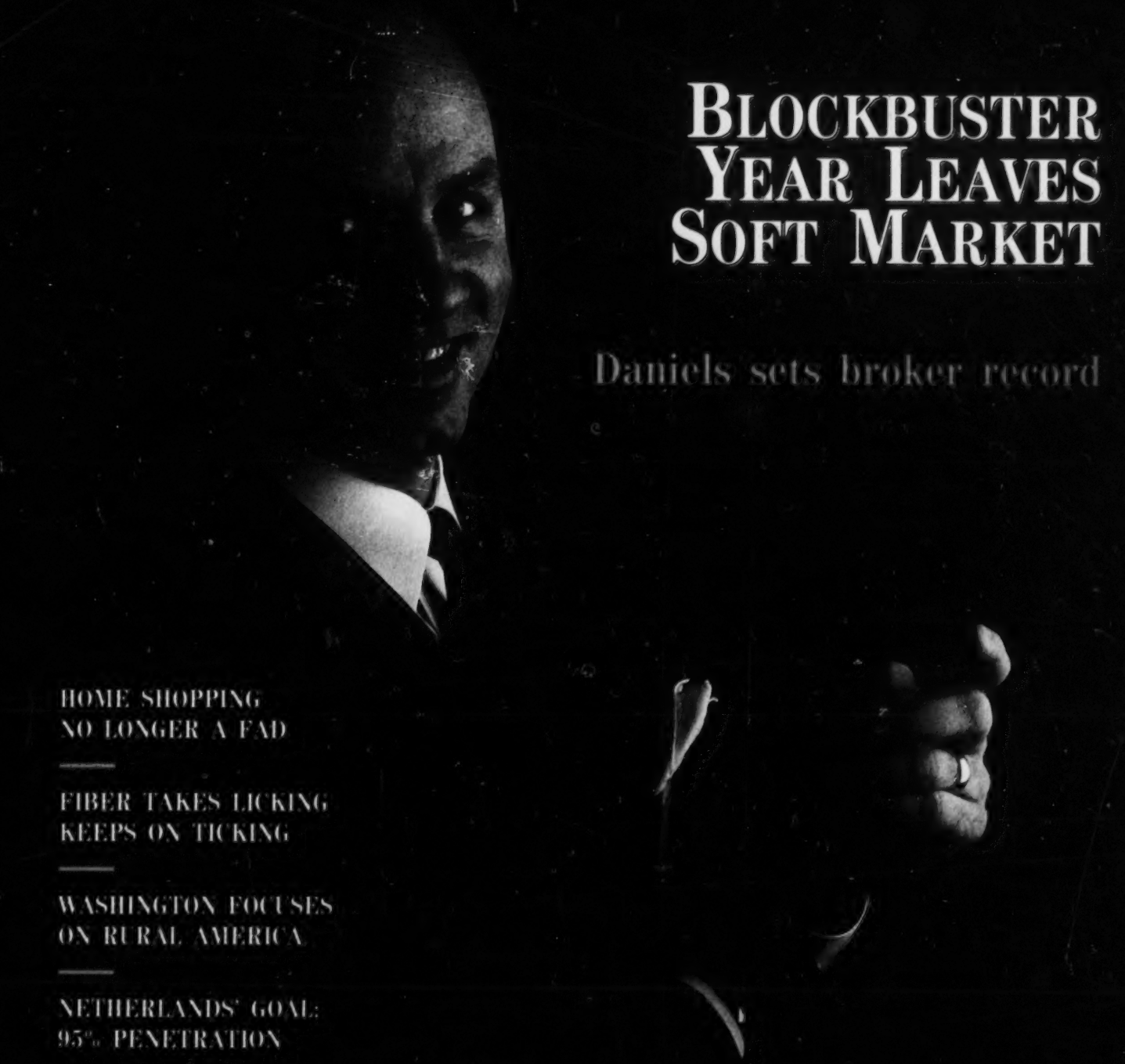
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

FEBRUARY 26 1990



BLOCKBUSTER YEAR LEAVES SOFT MARKET

Daniels sets broker record

HOME SHOPPING NO LONGER A FAD

FIBER TAKES LICKING KEEPS ON TICKING

WASHINGTON FOCUSES ON RURAL AMERICA

NETHERLANDS' GOAL: 95% PENETRATION

Daniels President Brian Deevy

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT — FEBRUARY 26, 1990

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Photo by Arnie Adler

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ABP BPA

Record year for deals may turn soft in 1990

By Robert O'Brien

Brokers of cable television properties posted another record year in 1989, a performance fueled by what had been a continuing surge in value of cable subscribers and a vital sellers' marketplace that found operators bidding spiritedly for available properties.

Even as multiples jumped to 13 times cash-flow on average, consolidation of available properties by top MSOs continued, and brokers found little trouble lining up buyers for their listings.

In many cases, brokers exploited MSOs' urge to consolidate by packaging properties strategically, carving large properties into discrete components that attracted the highest aggregate bids.

"By any measure, 1989 was the best year we've ever had," says Brian Deevy, who was named president of Daniels & Associates at the end of what was a record year for the firm. Daniels brokered $1.9 billion worth of cable properties in 1989, including a project with the investment banking firm of Lazard Freres that sold Centel's cable holdings to six operators for a total of $1.4 billion.

Daniels' totals for the year also included investment banking activities worth another $422,000, and financial advisory services—including consultation on the United Artists merger—to cable properties worth over $3 billion. In all, Daniels participated in cable transactions with a combined estimated value of $5.4 billion.

However, the euphoria of the year's totals were clouded by a perceptible slowdown that squeezed the market by the end of 1989. A host of adverse factors, including possible reregulation, a weak debt market, and a drop in stock values for cable companies, coalesced to provoke new concerns about the vitality of the market.

In some cases, the situation became desperate. A handful of the deals that had been negotiated during the year's bustling days collapsed before they could close, usually because of a lack of financing. These instances of "cratered" deals—to use brokers' parlance—in some cases cost buyers their earnest money, and sent sellers back into the market with properties that now seemed less attractive.

"I know of as many as a dozen deals that had contracts, or at least handshakes, that didn't get done," says one broker.

In the past, an occasional deal to sell a cable property didn't close. In fact, last year's largest deal, the sale of Cooke Cablevision to a consortium of MSOs, was sent back to the bargaining table a second time after Cooke

It was the best of times. It was the worst of times. In that order.

Brian Deevy, who in December was named president of Daniels & Associates, the leading broker in 1989.

BROKER ACTIVITY '89

(Dollar amounts in millions)

Company	Deals Brokered	$ Brokered	Deals Financed	$ Financed
Cable Investments, Inc.	11	$ 72	6	$ 86
Clifton Gardiner & Associates	23	27	N.A.	N.A.
Communications Equity Associates	30	638	7	44
Communications Resources Unlimited	9	5	N.A.	N.A.
Daniels & Associates	55	1,931	15	422
The Denver Group	3	358	6	50
Frank Boyle & Co	7	5	N.A.	N.A.
Hardesty, Puckett & Co.	24	116	4	36
Johnson Crowley & Associates	19	88	4	44
Jones Group	12	405	N.A.	N.A.
JW Capital	6	33	N.A.	N.A.
Martz Media	5	23	N.A.	N.A.
Pat Thompson	26	16	N.A.	N.A.
Pyms	11	30	N.A.	N.A.
Waller Capital	23	1,403	N.A.	N.A.

Charles Greene Associates and Coaxial declined to provide information for this chart.

N.A. — information not available

*Brokers were credited with 100 percent of co-brokered deals, which may appear on more than one broker's chart. Charts include only cable system transactions.

Cable Investments, Inc.

System Location	Buyer	Seller	Basic subs	Homes Passed
Dierks/Daisy/Fulton/ Saratoga, AR	Cablevision	Dierks TV Cable	1,550	2,647
Various cities, OK/TX	Mission Cable	Cablevision of Texas	17,324	28,762
Durant, OK	James Cable	Durant CV	5,200	7,526
Kellogg/Pinehurst/ Smelterville, MD	West Star	Clearwater Communications	3,443	4,791
Madelia, MN	Amzak Cable Midwest	Home CV Co.	525	1,110
Schroeppel, NY	Cablevision Industries	Dimension Cable	900	1,200
Bailey/Hamilton, NC	C4 Media	Triangle East	4,200	10,037
Ellsworth, WI	Leonard	Ingersoll Industries	400	11,000
Sonora/Upton/Whitesville, KY	Command Cable	Joe McCorkle Co.	530	1,030
Various cities, NC	C4 Media	Red's Cable & TV	2,700	5,000
Other cities, various states	N.A.	N.A.	1,361	N.A.

Clifton Gardiner & Associates

System Location	Buyer	Seller	Basic subs	Homes Passed
Lauderdale/Russell, MS	Vista Communications	Community Cable	661	1,000
DeKalb, MS	Vista Communications	Hughes Telephone	164	250
Cold Springs, CO	[illegible]ado Springs CV	Comstar Corp.	400	400
Velma, OK	Mission Cable	Master Cable	617	1,200
Mertzon/Sterling, TX	Mission Cable	Starvision Cablesystems	630	1,000
Cache/Indiahoma, OK	Mission Cable	Cache Cablevision	857	1,100
Hinton, WV	Helicon Group	Southside TV	57	83
Various cities, OH	Cooney Cable	Capital Cable	880	1,592
Hickory Flat/Potts Camp, MS	Vista Communications	Control Equity	450	750
Various cities, TX	Sagebrush Cable	Northland Communications	3,936	8,660
Louise, TX	Mid-Coast Cable TV	Louise Cable TV	220	310
Benoit/Cary/Silver City, MS	AMW Cable	Smith Electronics	200	530
Joseph City, AZ	Catron Communications	Williams	245	354
Reeder/Scranton, ND/ Buffalo, SD	Midcontinent Cable	David Olmstead	304	492
Various cities, SD	Satellite Cable	Town & Country Cable	434	835
Zeeland, ND	Midcontinent Cable	Town & Country Cable	60	100
Wayne County, WV	Econoco Inc.	Olympic	286	420
Lolita/Vanderbilt, TX	Blessing Cable TV	Lolita & Vanderbilt Cable	265	304
Lavernia, TX	Blessing Cable TV	Lavernia Cable Co.	100	660
Blanco, TX	Blessing Cable TV	Blanco Cable TV	300	600
Wardensville, WV	Valley Cable TV	Co-Op TV Inc.	304	340
Capon Bridge, WV	Valley Cable TV	Davy & Lovett Ent.	250	339
Various cities, MN/ND	Midcontinent Cable	United Cable Management	6,169	7,730

repudiated the first sales agreement.

But for the first time, deals collapsed, not because of the personalities of the participants or circumstances unique to the transaction, but because of adverse marketplace conditions.

These problems sent to an already skittish Wall Street signals that the business had become troubled. Though the instances of cratering occured in only a fraction of all deals, and were even then limited to smaller deals, experts privately say that such a collapse in a large deal—if it ever occured—could do to the cable market what Campeau's failure did to the junk-bond market.

Many industry experts involved in the business of selling cable systems, including brokers, lenders, and owners, dispute the gloomy depictions of a weakened systems market. Daniels' Deevy, for example, says that in the first month of 1990, his firm closed $700 million, and has another $3 billion in the pipeline.

Nor is there widespread pessimism through the rest of the brokerage community. Some brokers concede privately that fewer deals are likely to get done. A few believe deals will get done only if sellers make more concessions than they have historically, particularly on terms unrelated to price. Other brokers believe they'll simply have to work a little harder to accomplish what they did last year.

But all agree that the current condition is temporary. Because most of the forces handicapping the acquisitions marketplace are external to the industry's operations, there's no reason to question the long-term values of a business with underlying fundamentals that remain attractive.

And there's little reason for concern that brokers are going to have to start taking public transportation to work. Nine of 15 firms surveyed booked more business than in the

previous year. While the number of firms topping the $1.5 billion standard dropped from three in 1988 to just two in '89, the performance of the top three brokerage firms reflects a shift in market share, but not a drop in the size of the market they share. Between them, the three firms—Daniels, Waller Capital, and Communications Equity Associates—reported brokering or financing about $4.6 billion worth of transactions last year, up from the previous year's total of $4.3 billion.

Despite the predictions of some pessimists that smaller firms would suffer in a more sophisticated and increasingly competitive environment for deal-making, the numbers say otherwise. The dollar value of systems traded in '89 kept pace with the record-setting performance of the previous year; with the market-leaders' share of the pie rising only slightly, second-tier firms held their own through the year.

More importantly, says Deevy, the number of transactions kept pace with 1988 figures.

"What's really significant in evaluating the year is that the number of deals coming through the market has held up," says Deevy, whose firm brokered 55 deals in 1989. The strength in the number of transactions shows that activity in all market segments remains vital, rather than a market inflated by a handful of mega deals.

"Until the last couple months, 1989 was the strongest year the market ever had," says Tom MacCrory, group vice president for cable at CEA. "Prices were at their highest, and buyers were willing to pay them."

In fact, increased prices accounted for a good deal of the market's strength. By mid-year, some $9 billion in transactions had already closed, about where the market had been through the first half of 1988.

Communications Resources

System Location	Buyer	Seller	Basic subs	Homes Passed
Inola, OK	Misison Cable	ATRA Cable Vision	371	885
Chouteau, OK	Mission Cable	ATRA Cable Vision	399	900
Douglas, KS	Capitol Cable	Wheat State Telecable	352	680
Conway Springs, KS	Capitol Cable	Wheat State Telecable	225	450
Oxford, KS	Capitol Cable	Wheat State Telecable	328	484
Beaver Lake, AR	Mission Cable	Beaver Cable Co.	628	800
Kinta/Quinta, OK	Mission Cable	Beaver Cable Co.	467	712
Enterprise Brooken/ Longtown, OK	Mission Cable	Beaver Cable Co.	370	1,173
Keota, OK	Mission Cable	Beaver Cable Co.	138	270

The difference: 1989's deals covered 1 million fewer subscribers.

The inflation in prices, as measured by the growth of cash-flow multiples from somewhere around 11.5 to over 13 times year-out cash-flow, was fueled by a number of factors, sources say. For one, dealmakers became more sophisticated in the way they packaged transactions, attracting large MSOs whose properties might have previously seemed too unwieldy to unload with maximized profit-taking.

Many other factors, including anticipated growth from advertising and pay-per-view revenues and continued vitality of basic rates, reflected a strengthened business. That, in turn, attracted large pools of both debt and equity. The stock market continued to reward publicly held

January, 1990

$15,000,000
SENIOR DEBT
has been arranged for
HOUSATONIC CABLE VISION COMPANY
serving Brookfield, Monroe, New Fairfield, Newtown, Sherman and Trumbull, Connecticut with
CONNECTICUT BANK AND TRUST COMPANY, N.A.

The undersigned represented the seller in this transaction
This notice appears as a matter of record only

COMMUNICATIONS EQUITY ASSOCIATES

CEA, Inc. • 375 Park Ave., Suite 3808 • New York, NY 10152 • 212/371-1968

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companies that pursued aggressive growth agendas.

In short, there was money for deals and deals for all the money out there. Owners of all systems, including small ones, report vigorous interest from brokers anxious to bring their properties to the market. One small system owner has a file eight inches thick containing just correspondence from brokers making essentially cold calls inquiring about the prospects of listing the property.

But as the third quarter of the year was wrapping up, significant changes in the marketplace began to emerge, experts point out. For one, institutional investors, who had made killings on the escalation of cable stocks, shifted their perspective. No longer as interested in profit-taking as they were in protecting the gains they'd already made, large investors began to evacuate cable stocks. Publicly held companies suddenly found themselves averse to the risks that acquisitions posed.

The investment community's new agenda was exacerbated by a growing cacophony in Washington for reregulation of the cable industry. Congress has voiced concerns over a host of issues—including the degree of vertical integration of media companies, demands for telco entry into video services, fear of industry consolidation, challenges to the commodity-like trading of cable properties, and a renewed scrutiny of basic service rates—just the sort of uncertainty that Wall Street deplores.

Though cable operators say the investment community overreacted to the threat of reregulation, MSOs, in some cases, reluctantly bowed to congressional pressure. By year's end, Tele-Communications Inc., which by itself or through an affiliate, was a buyer in five of the six largest transactions in the year, announced that it was taking itself out of the acquisitions marketplace as a concession to political scrutiny.

Meanwhile, the convergence of events extrinsic to cable had an impact on the industry. The junk-bond market, a major source of subordinated debt for cable deals, withered in the wake of the collapse of retail giant Campeau Corp. With no access to junk bonds, buyers who had deals in hand were left scrambling for new sources of financing. Prospective sales were left dormant as potential buyers sorted through the new capital marketplace.

Senior lenders found themselves the sole source of new deal financing at just the time new federal requirements compelling banks to identify highly leveraged transactions (HLT) took effect. Though there's no consensus even today on the full impact of the new HLT rules, which for the first time will force all banks to use the same definition of HLT in their annual reports, it's clear that banks, by the end of the year, had begun to maintain a cap against certain capital assets where high leverage was a concern. Increases in the cost of capital made deals more expensive for those who could do them, and banks' demands that borrowers add more equity limited the pool of potential bidders for new properties.

The result of this convergence of influences on the market?

"The green eyeshades have taken over," says CEA Chairman Rick Michaels. "This is the era of the sharper pencil. Deals will have to make more sense in the short term."

"The sky's not falling," says Hugh McCulloh, vice president of The Denver Group. "But we are in a much more sober market."

What the brokers are saying is that the changes in the marketplace didn't

Communications Equity Associates

System Location	Buyer	Seller	Basic subs	Homes Passed
Jackson County, FL	Tele-Media	Sun Cablesystems	1,200	3,800
N.A.	Suncom Group	Taft Communications	N.A.	N.A.
Boca Raton, FL	Tele-Media	Communications & Cable	23,332	N.A.
Lenoir, NC	Cencom	McDonald Group	13,000	19,140
N.A.	Adelphia	N.A.	N.A.	N.A.
Lovelady/Riverside, TX	River Communications	American Broadband	N.A.	1,000
Quartersite, AZ	Watch Us	Thompson	200	4,000
Hialeah, FL	Colony	Telesat	N.A.	N.A.
Various cities, IA/IL/IN	Specchio Pay TV	Gulf Americable	7,300	14,000
W. Palm Beach, FL	Tele-Media	Citrus Cable/Anderson Pacific	5,000	10,800
Revere, MA	Colonial CV	Channel One Inc.	260	N.A.
Arcola/Anquilla, MS	Broadband CV	Cable Video	350	500
Laughlin, WV	Watch Us	Misco Inc.	536	N.A.
Lake/Osceola/Polk Counties, FL	Tele-Media	Citrus Cablevision	1,500	4,000
Various cities, SW US	Times Mirror	Chillicothe CV	29,000	45,327
Anchorage, AL	Prime Cable	Sonic	37,000	95,000
Pinehurst, GA	James Cable	RGW Communications	95	N.A.
Aguada, PR	Cable Systems USA	Cable TV del Noroeste	10,000	25,782
N.A.	Palmer	N.A.	N.A.	N.A.
Fulton County, GA	Vista Communications	Ativision Inc.	473	1,280
N.A.	Times Mirror	Bates	1,700	3,000
Pulaski/Richards, VA	Adelphia	Richlands CV	30,000	37,600
Buckeye/Glendale/Peoria, AZ	Cablevision Systems	Republic Cable	47,000	105,000
Houston, TX	Nationwide Communications	Gulf Americable	9,000	28,000
Mauriceville, TX	Tele-Media	CER Investments	625	1,250
Houston, TX	Nationwide Communications	Continental Satellite	1,500	10,200
Mill Pond Village, CT/ New Seaburg, MA	Continental CV	Channel One Inc.	550	1,260
Carroll County, GA	TeleScripps	Cable USA	2,425	6,100
Gwinett County, GA	Ativision	Wometco	200	395

happen as quickly as a gasp of fear, and there's no reason to react as if it did.

"There's nothing wrong with the underlying fundamentals of the business," says Richard Patterson, senior vice president of Waller Capital. "As a long-term investment, cable's still one of the best."

"The solutions to some of these conditions are just what they've always been," says Pamela Pyms, president of Pyms Cable Brokerage. "It's a question of solid management. Especially for smaller operators."

PYMS

PYMS CABLE BROKERAGE, INC. **SOLD**

The cable television company of Westover TV Cable Company, Inc., serving Westover, Brookhaven, Sunset Beach, Kingswood Pike, Monongah, and Meadowdale, West Virginia. This sale represents over 7,800 basic subscribers. Marty Jensen represented the seller in this transaction.

PYMS CABLE BROKERAGE, INC.
Pamela A. Pyms, President
222 Milwaukee Street, Suite 302
Denver, Colorado 80206
(303) 388-8168
Fax: (303) 388-9057

This notice appears as a matter of record only. February 1990

PYMS

PYMS CABLE BROKERAGE, INC. **SOLD**

The cable television company of E&E Cable Service, Inc., serving the towns of Colfax, Millersville, Pleasant Valley, Rivesville, Whitehall, and portions of Fairmont, West Virginia. This sale represents over 2,400 basic subscribers. Marty Jensen represented the seller in this transaction.

PYMS CABLE BROKERAGE, INC.
Pamela A. Pyms, President
222 Milwaukee Street, Suite 302
Denver, Colorado 80206
(303) 388-8168
Fax: (303) 388-9057

This notice appears as a matter of record only. February 1990

Daniels & Associates

System Location	Buyer
Various cities, FL	Adelphia
Various cities, IL	Jones Intercable
Various cities, MI	C-Tec
Various cities, FL	ATC
Various cities, MI/NM/TX	TCA Group
Various cities, OH	Warner Cable
Various cities, KY	Simmons
Columbus/Greenville, OH	Warner Cable
Half Moon Bay, CA	Weststar
Terrebonne Parish, LA	Helicon/Bose
Carefree/East Mesa, AZ	Mission Cable
Various cities, MS	Vista Communications
Colorado Springs, CO	ATC/Century
Hiawassee/Lavonia, GA	Tritec
Plymouth, WI	Warner Cable
Ada, OK	Trans-Am
Leesville, LA	Vista Communications
N. Liberty, LA	Vantage Cable
Canton, MS	Vista Communications
Central Square/Hastings, NY	First Americable
Shenandoah City, VA	C4 Media
Carlin, NV/Laconner, WA	Northland
Mill City/Santiam, OR	Northland
Reedsport, OR	Falcon Cable
Tillamook, OR	Falcon Cable
Hinsdale/Winchester, NH	Warner Cable
Shamrock/Spearman, TX	Mission Cable
Osburn, ID	Weststar
Booneville, KY	Charter Cable
Highland Park, MI	Tele-Media
Chino Hills, CA	UAE
Monterey City, CA	Falcon Cable
Gold Beach, OR	Falcon Cable
Huron Township, MI	Mercom
Rancho Bernardo, CA	ATC
Liberty Township, OH	Coaxial Cable
Hay Springs/Mullen, NE	Vantage Cable
Sacramento, CA	Scripps Howard
Stanwood, WA	Northland
Chama/Dulce, NM	Leonard
Panpack Township, PA	Blue Ridge Cable of PA
Gordonsville, VA	C4 Media
West Yellowstone, MT	Sterling Cable
Center Point, IA	Vantage Cable
Oxford/Tiffin, IA	Vantage Cable
Craigmont/Nezperce, ID	Weststar
Lizton, IN	ATC
Estania/Moriarty, NM	Leonard
Cotton Wood/Elk City, ID	Weststar
Foxfire, NC	ATC
Culdesac, ID	Weststar
Colorado Springs, CO	Colorado Springs CV
Caswell Cty SC	Star Cable
Various Cities, OK	Mission Cable
Other cities	N.A.

But the question is whether the financial community is mindful of management's contribution.

Sanford Anstey, senior vice president, BancBoston Capital, a subordinated lender, relates the experience

Seller	Basic subs	Homes Passed
Centel	125,000	175,100
Centel	126,000	240,800
Centel	108,800	166,600
Centel	100,000	176,800
Cooke CV	85,000	123,747
Centel	76,900	120,000
Centel	63,000	93,800
Tele-Media	30,550	55,447
Coastside Cable	12,000	16,500
Callais Cable	9,500	13,800
Dickinson	7,250	18,250
CMS/ACI Cable	6,770	10,000
Citizens Cable	6,400	13,000
N.A.	6,200	9,450
Plymouth Cable	5,800	8,787
Eldridge Family	5,743	7,700
Cablevision of Leesville	5,300	6,185
Liberty Communications	4,875	6,205
ACI	4,471	8,387
Joseph Gans	4,130	6,885
Shenandoah	4,000	5,333
Valley Cable	3,229	4,397
Santiam Cable TV	2,900	5,600
Northland	2,889	3,200
Northland	2,495	3,250
Cheshire Cable	2,265	2,400
Cossette Investment	2,207	2,550
Teleview Antenna	2,050	N.A.
Fred Leighton	2,000	2,235
Bell Cable	1,805	9,800
D.C.A. California	1,750	4,000
Video Engineering	1,700	2,375
Northland	1,670	2,025
C4 Media	1,607	2,850
Signal Master	1,500	1,700
Namcor	1,450	2,400
Westel Inc.	1,180	2,032
Clearview Cable	1,050	3,000
Valley Cable	990	1,291
C&D Cable	947	1,232
Honesdale TV	601	850
Brian Riggs	560	675
John Sinclair	546	550
Prairie Cable	416	614
Rugger Comm.	381	513
R&R Cable	324	530
Cable TV of Indiana	267	682
Paragon	245	1,220
Danco Cable	230	500
Foxfire Cable	215	430
Culdesac Cable	131	140
Interface Communications	107	220
PDQ Cable	N.A.	6,700
Oklahoma Cable	N.A.	6,659
N.A.	1,070	N.A.

of a cable company soliciting equity contributions for a new facility. "We're talking about a superb management team here," Anstey adds. "But after 15 months, they'd still come up short." Meanwhile, a similarly structured cellular partnership was over-subscribed immediately.

While such tales spur talk that cable, once the lion of aggressive investment, has been eclipsed by competing media opportunities, lenders say that cable is evaluated on its own merits, not in competition with other investment vehicles.

Jamie Lewis, director of the transmedia group at Bank of Boston, one of the leading lenders to the industry, says banks are not pulling out of cable in favor of other media or other industries. "The fact is, we get paid to make wise business judgments. We're credit-driven." Not

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January, 1990

TELECABLE ASSOCIATES, INC.

has acquired the assets of

SNYDER CABLEVISION ASSOCIATES, L.P.

which at closing passed approximately 6,500 homes and served 4,929 basic subscribers in Snyder, Texas and portions of Scurry County.

The undersigned initiated this transaction, served as financial advisor to Snyder Cablevision Associates, L.P. and assisted in the negotiations.

Andrew J. Armstrong, Jr.
President

WALLER CAPITAL
CORPORATION

30 Rockefeller Plaza
Suite 4350
New York, NY 10112
(212)632-3600

The Denver Group

System Location	Buyer	Seller	Basic subs	Homes Passed
Various cities, OH/TX	Tele-Media	Sutton Capital	22,000	35,000
Various cities, FL	Cablevision Industries	Manasett Corp.	6,350	9,000
Various cities, CO	Scripps Howard	Laribey CV	1,000	2,000

Frank Boyle & Co.

System Location	Buyer	Seller	Basic subs	Homes Passed
Bainbridge, NY	Bainbridge Cable	Bainbridge Video	1,500	2,900
Huntsville, UT	Watch Us	Myvocom	100	200
Table Rock Lakes, MO	Bradford	R. Perent	N.A.	2,000
Various cities, IL	Dowden	Dorn Communications	600	1,700
Various cities, GA	MaxTel	The Cable Club	1,300	4,200
Eagle River, AL	Prime Cable	Eagle Cable Communications	500	800
Various cities, FL	N.A.	N.A.	100	200

Hardesty, Puckett & Co.

System Location	Buyer	Seller	Basic subs	Homes Passed
Florence, AZ	Mission Cable	Consolidated Development	264	1,208
Various cities, OK	Mission Cable	Dill City Cable	431	560
Maple Hill/Shawnee County, KS	Tele-Communications Inc.	Maple Hill Cable TV	242	431
St. Charles County, MO	Cable America	Skywalker Communications Inc.	111	300
Hammon/Cannute, OK/ Bucklin/Coldwater, KS	Mission Cable	Bucklin Community TV Inc./ Coldwater Community TV, Inc.	1,062	1,417
Polk/Hickory County, MO	Enstar	First Cable and Land Corp.	700	2,800
St. Charles/St. Louis County, MO	Cable America	Liberty Cable Development Group	662	1,510
Various cities, OK/TX	Mission Cable	Eagle Cable Partners	13,530	27,000
Various cities, OK/TX	Mission Cable	Redden Enterprises Inc.	4,000	7,000
Cole/Christian County, MO/ Frontenac/Girard, KS	W.K. Communications	Cole County Cablevision Inc./ Christian Cnty. Cablevision Inc.	5,650	9,800
Viburnum, MO	Falcon/Capital Cable Partners	Steelville Telephone Co.	241	500
Big Sandy, TN	Horizon Communications	Aerial Cablevision	300	1,800
St. Louis County, MO	Cable America	Heritage Cable Inc.	1,671	4,425
Baghdad/Yarnell, AZ	Mission Cable	Cox Cable	800	1,200
Johnson County, KS	Jones Intercable	21st Century Technology	150	150
Clackamas County, OR	Sun Country Cable	Cable Arizona	N.A.	4,200
Various cities, KS/MO	Falcon/Capital Cable	W.Q. Media	1,500	2,800
Various cities, OK	Mission Cable	Tri-Star Cable Inc.	1,100	1,700
Fairfield Plantation, GA	Wometco Cable TV	Plantation Cablevision Inc.	N.A.	3,500
Sedan, KS	Mission Cable	Cable TV of Sedan Inc.	700	840
Columbia/Jefferson City, MO	Tele-Communications Inc.	Heritage Cable	250	488
Fort Scott, KS	W.K. Communications	Fort Cablevision Inc.	3,700	4,400
Ashland/Protection, KS	Mission Cable	High Plains Communication Inc.	720	840
Contra Costa County, CA	Televents	W.A. V. Inc.	210	416

profit-driven. The effect of this distinction in orientation is that "We don't feel any undue pressure to book business if the market conditions aren't right."

Brokers see the point. "The issues today are not the traditional concerns over interest rates," says Daniels' Deevy. "The real issues are credit quality."

The result, says Waller's Patterson, is that good deals will still find willing buyers and amenable lenders. "Ours has been a two-tiered market for some time," he says. "What we're seeing today is a flight to quality."

The question is where those deals are going to come from. CEA's MacCrory concedes that a number of sellers are waiting out the short term in the hopes that the market conditions will improve.

Still, there are clearly properties on the market. At least three premium MSOs, including Palmer Cablevision, Insight and C4 Media, have all announced plans to liquidate their holdings. Only Palmer plans to exit the cable market; it will use the proceeds to bolster its cellular holdings. Both Insight and C4 are looking for cable abroad.

Other divestitures could be spurred by a number of considerations. Tom Puckett of Hardesty, Puckett & Co. predicts that some of the operators who built their holdings over the past five years using high leverage could face some liquidations now that sizable principle repayments are coming due.

Even systems that are traditionally thought of as second-tier properties may not be constrained by a tighter marketplace. "Take a look at somebody who bought his systems five years ago for $1,000 a sub," says The Denver Group's McCulloh. "Maybe he's not going to get $2,000 a sub for them, but he'll still get his $1,800. That's still a nice return on his investment."

What most experts agree will be underrepresented in the short-term is the handful of top-25 MSOs whose divestiture has inflated the market's performance in recent years. But at the same time, experts point out, this portion of the market is always the least predictable.

Cooke Cablevision principals had hotly pursued major acquisitions in the months before its decision to liquidate its properties; the prognosticators who saw that coming are the sort of bettors who liked Buster Douglas over Mike Tyson.

"I'd be surprised if we didn't see at least one jumbo exit the market this year," says James Boyle, vice president, cable division, at Frank Boyle & Co.

Niche players may also see some impetus to sell off their holdings. Rick Michaels points out that, with the Federal Trade Commission doing the spadework in a possible investigation of operators who buy both franchisees and overbuilders, some of those involved in such competitive situations may elect to cash out before the door slams on such transactions.

"The bottom line is that I think there's going to be as many deals this year as there were last year," Daniels' Deevy concludes.

Will they find buyers?

As everybody recognizes, TCI's gone; with it goes subsidiary units like United Artists Entertainment and WestMarc, and—perhaps to a lesser extent— affiliated enterprises like Bresnan Communications and The Lenfest Group.

Other big entities are also likely to find themselves constrained. According to some accounts, four of the six companies that picked up Centel's properties last year are this year out of the acquisition marketplace.

Still, brokers insist buyers will come out even in this weak market. "In this business, as in many, the contrarian view usually prevails," says Robert Brown, president of Cable Investments Inc.

According to Tom Puckett, "It's a given in this line of work that your list of buyers is a moving target." He adds that he's spent recent months "revisiting a lot of old friends" who have been absent from the business in recent years.

It's an analysis that's been proven. Less than a year after it closed the deal that sold off all its U.S. cable holdings and appeared—for all purposes—to have recused itself from the American marketplace, Toronto-based Rogers Communications Inc. announced that a subsidiary had agreed to purchase a small Alaska cable system.

Naturally, brokers are counseling prospective buyers who can arrange financing to take advantage of the market changes. Even if prices hold steady, buyers can find concessions in other parts of the process. CEA's MacCrory points out that, as the equilibrium of the marketplace shifts in a buyer's favor, acquiring companies are more successful in dictating the terms and conditions of purchase agreements. "There s more true negotiating going on at the time of contracts than there might have been previously."

This sea change may even extend

$9,119,500

Laughlin Cablevision Limited Partnership

$4,500,000
Senior Note due 1995

$1,250,000
Senior Enhanced Yield Note due 1995

$1,122,000
Subordinated Facility

$2,247,500
Partnership Interests

The undersigned structured the financing and privately placed the Notes and Partnership Interests.

JW CAPITAL

Marc B. Weisberg
288 Clayton Street
Suite 302
Denver, CO 80206
303/355-1777

January 1990

Johnson, Crowley & Associates

System Location	Buyer	Seller	Basic subs	Homes Passed
Columbia, MS	Heritage Communications	GH Cable	3,000	4,635
Vorious, OK	GH Cable	James Cable	3,600	4,850
Flora, IL	Flora Cable TV	Falcon Cable	11,300	15,000
Keowee Key, SC	Keowee Key Cable TV	Cencom Cable	1,050	1,200
Limon, CO	WestMarc Communications	Vantage Cable	968	1,256
Durant, OK	Durant Cablevision	James Cable	5,100	8,650
Chambers County, TX	Command Cable	Star Cable Associates	1,889	3,545
Anderson County, SC	PCI of Anderson County	Cencom Cable	10,200	17,900
Ellerbe, NC	Ellerbe Telephone Company	Tele-Media	300	550
Cape Charles, VA	First Commonwealth Communications	Falcon Cable	743	2,000

JW Capital Corp.

System Location	Buyer	Seller	Basic subs	Homes Passed
New Ulm, MN	Amzak Cable	New Ulm Tele-Vents	4,950	5,500
Quartzsite, AZ	Watch Us Communications	Thompson Communications	200	500
Laughlin, NV	Laughlin Cablevision	Misco-Sun Limited Partnership	536	536
Green River/Hurricane/ La Verkin, UT	Falcon Cable	Citation Cable Systems	1,250	1,750
Sangamon County, IL	Jefferson County Cable Co. Inc.	Cable Illinois Inc.	900	1,375
Farmersville/Raymond, IL	Enstar	Cable Illinois Inc.	365	685

Martz Media, Inc.

System Location	Buyer	Seller	Basic subs	Homes Passed
Beaufort, SC	Low Country Cablevision	Acton CATV	7,500	10,000
Apache Wells, AZ	American Cable TV	Sunflower Cable Co.	625	2,219
Various cities, KS	Leonard Communications	H&B Cable Service Inc.	856	1,264
Canton, KS	Leonard Communications	Galva Cable Co.	185	450
Gouverneur, NY	Newhouse	Gouverneur Cable TV Inc.	2,100	N.A.

as far as financing techniques. MacCrory predicts that more cable operators may follow the lead of broadcasters, where sellers frequently offer buyers a tick or two of seller paper to make up for the unavailability of mezzanine financing.

Other financing opportunities may present themselves. BancBoston Capital's Anstey reports that business credit corporations, including titans like Phillips, Chrysler and Barclays, have begun to investigate opportunities in cable.

At the same time, foreign banks, which are not subject to the HLT considerations domestic banks face today, are becoming an increasing presence in cable lending. TCI, Continental Cablevision, Turner Broadcasting and other cable companies have taken advantage of capital opportunities in Europe and Japan, and more such deals are likely to follow.

The upshot of the current market conditions, most experts agree, is that the industry's likely to turn the normal trends of the business on their ear. Where the business traditionally burns through the first half of the year and slows during the second, the reverse is likely to happen in 1990. A number of factors contribute to this. For one, the FCC's report to Congress on cable is scheduled to be delivered in July, which will give the investment and lending communities, as well as operators, a better sense of the impact of regulatory changes.

In addition, analysts have predicted that the public markets, which are expected to remain depressed through the first half of the year, will revive in the second, offering public companies more opportunities to take the risks of acquisitions without suffering the sorts of hits in stock values they'd face today.

And as banks gain more familiarity with the new HLT environment, they're expected to adjust better to at least selected opportunities. If they stay fallow for several months, bankers' appetites for deal-making are likely to return to something near previous levels. With increased competition from foreign lenders, the aggressiveness lenders displayed just a year ago might return.

"After all, the lending apparatus is never going to evaporate," concludes Anstey.

"Honestly," says Deevy, "we're looking forward to another record year." ■

■

Palmer sale proceeding; outcome to be barometer

Officials of Palmer Cablevision said efforts to sell the company's two cable operations are proceeding on course, and should produce a preliminary agreement with buyers early this spring.

Palmer has operations in California and Florida, with a combined subscriber count of 170,000. Palmer is thought to be asking for a total of at least $500 million for the two properties, which are likely to be split and sold individually.

The properties are considered the premier asset available and most

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Cratering & Cable TV: the big one hasn't happened

By Robert O'Brien

Interest rates used to be a primary barometer of the marketplace for cable systems. When interest rates rose, deal-making slowed, and vice versa.

In today's risk-averse, highly-leveraged-takeover-crazed, high-cost capital driven market, nobody's talking about interest rates.

What they are talking about—with a hint of desperation—is the deals that aren't getting done.

"Nobody wants to be around when the first big one craters," says one broker.

Short-term, there are lots of problems to address when a deal collapses. For the prospective buyer, it usually means a loss of earnest money. Half-a-million dollars is enough to buy about 250 subscribers at today's prices.

The reasons are obvious. It only took one Campeau to deflate the junk-bond party for everybody involved.

More to the point, look what the failure of TVX did to the independent station market in broadcasting two years ago. (If anybody's seen that market since then, please report the sighting to INTV.)

So far, the big one hasn't happened. But a few mid-level deals have gone wanting.

Galaxy Cablevision, for example, has twice gone to the negotiating table with agreements to sell its systems in and around Waxahachie, Texas. Both times—once with Douglas Communications, another with Falcon/Capital Cable —it came up wanting for a buyer.

Short-term, there are lots of problems to address when a deal collapses. For the prospective buyer, it usually means a loss of earnest money. Half-a-million dollars is enough to buy about 250 subscribers at today's prices.

Sellers—essentially innocent victims when a deal craters because a buyer couldn't arrange financing—take it harder. Galaxy's Ron Voss

Laughlin Cablevision Limited Partnership

has acquired certain assets of

Valley Communications, Inc.

and

Laughlin Cable T.V., Inc.

The undersigned represented Laughlin Cablevision Limited Partnership in this transaction.

JW CAPITAL

Marc B. Weisberg
288 Clayton Street
Suite 302
Denver, CO 80206
303/355-1777

January 1990

Pat Thompson Co.

System Location	Buyer	Seller	Basic subs	Homes Passed
Various cities, OH	UV Cablevision	Hocking Valley	590	1,097
Various cities, AZ	Watch Us Comm.	Thompson Comm.	318	8,100
Beatty/Blue Diamond/ Pahrump, NV	Sterling Cable	Black Rock Cable	570	1,065
Falls Townships/ Good Hope, OH	UV Cablevision	Hocking Valley	192	290
Warwick, GA	Vista Communications	Ruralvision Inc.	609	1,100
Ossyka, MS/Tangipahoa, LA	Chattahoochee CV	Southern Star Network Inc.	250	500
Healy, KS	Midway Cable TV	Healy Cable TV	80	120
Lake County/Pablo/Ronan, MT	Masada	Ronan/Pablo Cable	800	1,200
Salem, AR	River Communications	Salem Cable TV	550	650
Plains, MT	Sterling Cable	Plains Cable TV	224	235
Camden On Gauley/ Webster County, WV	Helicon	Camden Cable	270	350
Adamsvile/Norwich/Sonora, OH	Cooney Cable	Midwest Communications	490	705
Edgewood/Willis Point, TX	Mission Cable	Edgepoint CV	1,600	3,805
Emory/Point/Rural Rains County, TX	Mission Cable	Lone Star Satellite	267	420
Harrison/Marion Counties, WV	SCI Investments	Sardis/Eagle	450	525
Diana/Jumbo, WV	SCI Investments	Diana Cable TV	222	250
Whatcom County, WA	Glacier Cable/Sterling Cable	People's CV	N.A.	3,358
Caraway/Leachville, AR	Lawrence Cnty. Cable Partners	Spectrum Teltronics	191	N.A.
Caraway/Dell/Leachville, AR	Cable Partners	Robertson Cable	966	1,629
Westcliffe/Silver Cliff, CO	Glacier Cable	Miller Industries	185	N.A.
Bellevue, LA	Gulf American	Bellevue Cable TV	200	300
Jackson Lake, GA	Vista Communications	Southern Cable	N.A.	2,095
Caledonia/Lakeview Estates/ Mortal, OH	SCI Investments	LDD Communications	N.A.	N.A.
Cloutierville/Natchez, LA	Galaxy CV	Cane River Cable	300	567
Bertha, MN	Tekstar CV	C & R Cable Co.	170	223

Pyms Cable Brokerage

System Location	Buyer	Seller	Basic subs	Homes Passed
Benwood/Glendale, WV	Marshall Co. CV	Tridelphia Cable	280	290
Bruce, MS	Walco Inc.	Preferred Cable	805	1,068
Groveland, CA	Sun Country	Ponderosa Cable	1,370	1,909
Bean Station/Sneadville, TN	C4 Media	Sneedville Cable	1,222	1,679
Rio Rico, AZ	Myhren Media	Avatar Utilities	420	639
New Castle/Paonia, CO	Tele-Communications Inc.	Newport CV	720	1,059
Columbia, MS	Capitol Cable	Cable America	2,500	4,700
Hoxie, KS	KAYS Inc.	Cable Systems of Hoxie	520	625
Fairfield, WA/Plummer, ID	ECOM Inc.	Broadcast Services	1,175	2,059
Saguache, CO	Vantage Cable	J & T Cable	190	240
Various cities, MS	Cablevision of Missouri	Falcon/Capital	3,400	6,400

acknowledges that the company has had to discount the systems per-sub values each time it comes back on the market. (He also notes that a 10-12 percent growth in the number of subs since the systems were first put on the block has offset the prospective losses.)

Long-term, there are important questions about the impact on the industry's performance to worry about. Capital investments to improve plant, spending on marketing and promotion, improvements to customer service and installation are typically neglected while the terms and conditions of a system sale are being neglected.

But even worse is the deleterious impact on the industry's image when systems languish on a market like a manufacturer's close-outs at a K-Mart blue-light special.

So far, the big one hasn't cratered. But it's clear that everybody's braced for just what everybody hopes won't happen. If a Mission Cable delays the closing of its purchase of the LBJ estate's Karnack Corp., the buzz in the industry is that the deal has cratered. On the facts, Mission, which is a notoriously slow closer, still has time to complete the acquisition.

The trepidation is natural. As everybody must recognize, it would take only the collapse of one prominent deal to drive already gun-shy investors and lenders out of the industry with a vengence. ■

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observers are hoping Palmer and Waller Capital, which is handling the sale, attract a high price for the systems. Even competing brokers have expressed hopes that the deal succeeds as a means of showing strength in a market that's underperforming.

The risk in focusing on a single property as a barometer of the market is that the industry could be tarred if the systems fail to attract a commanding price. At the $510 million price tag that's been talked about, Palmer's 170,000 subscribers would be worth $3,000. Any lingering doubts about the properties—if the proportion of "snowbirds" in the Florida markets is higher than thought, for example—could drag down the purchase price on a per-sub measure, and leave the transaction looking like a failure, even if Palmer achieves the values it's seeking.

Palmer executives express no reservations about the sale and say that, in Waller Capital, they're well represented in the sales process. On-site reviews of the systems are being wrapped up, and the company expects to close the deal by June 30. Palmer plans to invest the proceeds of the sale in cellular radio.

— Robert O'Brien

Waller Capital Corp.

System Location	Buyer	Seller	Basic subs	Homes Passed
Suffolk County, NY	Cablevision Systems Corp.	Viacom	200,000	318,000
Riverside County, CA	Cencom/Gaylord	Choice Television	138,00	385,000
Minneapolis, MN	King Videocable	Hauser	46,000	98,000
Winchester, VA	Adelphia	Mid Atlantic	23,800	30,000
Various Cities, FL/ID/NM	Century	Mickelson Media	26,600	30,000
Framingham, MA	Sutton Capital	CMS Companies/Vento & Co.	13,000	26,500
Logan, UT	Sonic Communications	JWB Cable	12,300	19,259
Ridgecrest, CA	Benchmark Cable	Boulder Ridge	10,500	14,300
Various towns, AZ	GH Cable	Star Cablevision	8,300	12,000
Benton Harbor/St. Joseph, MI	Consolidated Cable	Star Cablevision	7,300	13,000
Monticello, IN	Cardinal	Star Cablevision	9,000	12,128
Gaffney/Union, SC	Masada	Piedmont Cablevision	6,800	13,000
Chester, SC	Masada	Wizard Cable Stations	7,000	N.A.
Various cities, NE	Vantage Cable	Cambridge Comm.	7,700	10,540
Palm Beach City, FL	Tele-Media	Citrus Cable	5,100	12,000
Snyder, TX	TCA	Sutton Capital	4,925	6,500
Evansville, IL	Capital Cable	Star Cablevision	4,150	9,400
Muncy, PA	GH Cable	Muncy Cable	4,200	4,500
Rosamond, CA	Falcon	Boulder Ridge	2,050	3,000
Indianapolis, IN	ATC	Star Cablevision	2,950	4,893
Warrior, AL	Century	CableSouth, Inc.	2,500	4,100
Ross, OH	ATC	Star Cablevision	1,550	2,003
Monon, IN	Hometown	Star Monon	263	N.A.

40,000 subscribers in Topeka and surrounding Shawnee townships, will buy the franchise for an undisclosed price. **Hardesty Puckett & Co.** initiated the sale process for Maple Hill.

Contracts/Orders

• **CATV Services Inc.** has agreed to represent **Catel Telecommunications** on fiber product sales in Arizona, California, Hawaii and Nevada. In the past, Catel has solicited other hardware distributors to seek product sales in other territories. In another rep arrangement involving regional programming networks, **Rainbow Ad Sales Corp.** will handle sales exclusively for **SportsChannel**'s new Bay Area and Cincinnati services, targeted for a mid-spring debut. The **Cablevision Systems Corp.** division already reps seven other SportsChannel franchises around the country. ■

EUROPE 1992

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CALENDAR

The Main Event

Six months after jumping into the seminar field with a workshop on fiber optics, **Cable Labs** will examine consumer interface equipment at its next event Feb. 28 through March 2 (Wednesday through Friday) in Boulder, Colo.

More than 100 people witnessed Cable Labs' initial confab last August, and the projected crowd for this presentation should be at the same level, officials expect. At least 90 people were pre-registered as of two weeks ago.

On interface matters, relationships between the industry and consumer electronics manufacturers have largely been strained. "At best, we ignore each other. At worst, we battle each other," summarizes Claude Baggett, Cable Labs director of system engineering projects. He believes joint venture development of compatible equipment among operators and suppliers is the solution to cable's interface crisis; encouragement of such projects is one of the seminar's goals.

"The more these ventures go forward, the more influence we have in assuring compatible equipment. The time is long overdue to pursue that influence," Baggett explains.

CableLabs
Cable Television Laboratories, Inc.

Walt Ciciora and Tom Elliot, senior technology executives for ATC and Tele-Communications Inc./ Cable Labs respectively, will outline the issues under study at the opening session Feb. 28. Representatives from Zenith's cable division, Scientific-Atlanta and Jerrold will offer their views of future system equipment interface needs the following morning, after which executives from Zenith's consumer electronics division, Panasonic and RCA-Thomson will give their prognosis for interface developments.

Case studies will be examined during the seminar's final day March 2, highlighted by presentations from Warner Cable on its off-premises addressability test in Williamsburg, Va., and UA Entertainment on a joint interface venture in Colorado. Also that day, Jon Thom, purchasing vice president with Fred Schmid, one of Denver's biggest electronic retailers, gives his perspective on the subject.

For more on the seminar and future Cable Labs activities, call Mike Schwartz at (303) 939-8500.

February

26: "Cable Feud," that industry trivia competition matching system employee teams, returns for *New York Women In Cable*'s benefit at the Time Warner Building. Quiz Audrey Fontaine about details at (212) 916-1040. **27**: *Turner Broadcasting* resumes its 1990 Goodwill Games ad sales and marketing seminar tour from Cincinnati's Hyatt Regency, then winds up with Cleveland and Detroit stops. Call Valerie Newcomb at (404) 827-2269. **28-2**: *Cable TV Public Affairs Association* calls its "Forum '90" conference together at the Portman Hotel in San Francisco. Call Ed Dooley (202) 276-0881. **28-1**: Customer service standards leads the agenda of *Michigan Cable Television Association*'s winter meeting from Amway Grand Hotel in Grand Rapids; contact Colleen McNamara (517) 351-5800.

March

5-7: Cable management and organizational issues are explored under the next *Women In Cable-Denver University* workshop, located in Denver. Sign up through Nancy Ring (312) 661-1700. **6-8**: *Magnavox CATV*'s mobile training center heads back on the road to techsters everywhere, beginning in Chicago. Directions on the entire 1990 tour from Amy Haube (315) 682-9105.

Major Shows

National Association Of Broadcasters, March 31-April 3, Georgia World Congress Center, Atlanta. Call Rick Dobson at (202) 429-5335.

Cabletelevision Advertising Bureau, April 1-3, Marriott Marquis Hotel, New York. Call Ellis Simon at (212) 751-7770.

MIP-TV, April 20-25, Cannes, France. Call (212) 750-8899.

National Cable TV Association, May 20-23, Georgia World Congress Center, Atlanta. Call Michael Hill at (202) 775-3606.

Canadian Cable Show, June 3-6, Edmonton, Alberta. Call Christiane Thompson at (613) 232-2631.

Broadcast Promotion and Marketing Executives, June 10-14, Bally's Hotel, Las Vegas. Call Gregg Balko at (213) 465-3777.

Society Of Cable TV Engineers, June 21-24, Nashville Convention Center. Call Anna Riker at (215) 363-6888.

Cable TV Administration & Marketing Society, July 15-18, San Diego. Call Christina Nelson at (703) 549-4200.

New England Cable TV Association, July 29-Aug. 1, Newport, Rhode Island. Call Rosemary Vozzella at (617) 843-3418.

DATABASE

Cable Network Ad Performance

Dec. 1989 billings	Dec. 1988 billings	Year-to-year dollar change	Year-to-year percent change
$79,936,508	$72,706,682	$ 7,229,826	9.0%

4th Quarter 1989 billings	4th Quarter 1988 billings	Year-to-year dollar change	Year-to-year percent change
$268,546,372	$233,479,353	$35,067,019	13.0%

Top 10 cable net sponsors/Dec. 1989

1.	Time Warner	$4,809,232	6.	Sears	$1,288,125
2.	Proctor & Gamble	3,163,979	7.	Philip Morris	1,281,439
3.	General Motors	2,463,643	8.	RJR Nabisco	1,192,648
4.	Anheuser-Busch	2,279,846	9.	Chrysler	982,922
5.	General Mills	2,180,139	10.	Mattel	939,953

Top 10 cable net sponsors/4th Quarter 1989

1.	Time Warner	$11,941,083	6.	RJR Nabisco	$5,861,514
2.	Proctor & Gamble	10,910,213	7.	Sears	3,974,470
3.	Anheuser-Busch	8,263,968	8.	Levi Strauss	3,830,897
4.	General Motors	7,345,237	9.	Chrylser	3,491,434
5.	General Mills	7,304,075	10.	Hasbro	2,865,921

Source: Broadcast Advertising Reports data; figures represent combined billings of CNN, ESPN, Family Channel, MTV, USA and TBS Superstation

	4th Qtr. 1989 billings	4th Qtr. 1988 billings	Year-to-year dollar change	Year-to-year percent change
CNN	$42,560,891	$33,460,828	$ 9,100,063	21.3%
ESPN	71,610,068	56,450,570	15,159,498	21.1%
FAMILY	23,037,365	20,599,298	2,438,072	10.5%
MTV	26,737,082	24,802,633	1,934,449	7.2%
TBS	60,256,835	62,804,946	- 2,548,111	- 4.0%
USA	44,344,131	35,861,583	8,482,548	19.1%

Source: Broadcast Advertising Reports data

Subscriber Universe Estimates

	Total TV households	Cable TV households	Homes passed	Cable percent of TV households
A.C. Nielsen	92,100,000	52,589,100	N.A.	57.1%
Arbitron	90,000,000	49,039,500	N.A.	54.5%
Paul Kagan Associates	89,000,000	45,900,000	76,900,000	51.1%

Subscriber numbers as of Nov. 1989
Nielsen figures include Alaska & Hawaii

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	6,792,535	(1/90)
2.	American Television & Communications Corp.	4,300,000	(12/89)
3.	UA Entertainment	2,530,000	(9/89)
4.	Continental Cablevision	2,525,000	(1/90)
5.	Warner Cable Communications	1,713,000	(1/90)
6.	Comcast	1,535,000	(1/90)
7.	Storer Cable Communications	1,530,000	(1/90)
8.	Cox Cable Communications	1,528,390	(1/90)
9.	Cablevision Systems	1,467,430	(1/90)
10.	Jones Intercable/Spacelink	1,291,162	(1/90)
11.	Newhouse Broadcasting	1,200,000	(11/89)
12.	Heritage Communications	1,131,343	(11/89)
13.	Times Mirror Cable TV	1,071,282	(1/90)
14.	Cablevision Industries	998,544	(1/90)
15.	Viacom Cable	994,889	(11/89)
16.	Sammons Communications	873,590	(1/90)
17.	Century Communications	825,000	(2/90)
18.	Adelphia Communications	766,000	(1/90)
19.	Paragon Communications	764,734	(1/90)
20.	Cooke Cablevision	730,800	(5/89)
21.	Falcon Cable TV	700,000	(10/89)
22.	Telecable	584,552	(1/90)
23.	KBLCOM	560,000	(1/90)
24.	Scripps-Howard	540,000	(1/90)
25.	Multivision Cable TV	499,491	(1/90)
26.	Tele-Media	475,163	(9/89)
27.	Prime Cable	468,822	(1/90)
28.	Lenfest Group	440,983	(1/90)
29.	Maclean Hunter Cable TV	437,500	(1/90)
30.	Post-Newsweek Cable	413,213	(1/90)
31.	Cencom Cable	410,000	(11/89)
32.	TCA Group	405,000	(1/90)
33.	Multimedia Cablevision	328,902	(1/90)
34.	Colony Communications	327,924	(1/90)
35.	Simmons Communications	315,000	(12/89)
36.	Rifkin & Associates	312,700	(1/90)
37.	TKR Cable	293,212	(2/90)
38.	Western Communications	287,800	(1/90)
39.	Triax Communications	279,612	(1/90)
40.	Star Cablevision Group	240,096	(8/89)
41.	Hauser Communications	238,000	(1/90)
42.	Service Electric Cable TV Inc.	220,000	(1/90)
43.	Greater Media	205,000	(9/89)
44.	King Videocable	193,413	(1/90)
45.	Sutton Capital	189,179	(9/89)
46.	Harron Communications	184,344	(1/90)
47.	Columbia International	182,000	(1/90)
48.	Media General	181,785	(1/90)
49.	Insight Communications	183,000	(2/90)
50.	C-TEC Cable Systems	174,814	(9/89)
51.	U.S. Cable Corp.	172,500	(1/90)
52.	Palmer Communications	166,059	(1/90)
53.	Armstrong Utilities	153,902	(1/90)
54.	Northland Communications	141,398	(11/89)
55.	Summit Communications	141,000	(10/89)
56.	Jones/Crown Cable	136,000	(1/90)
57.	Bresnan Communications	129,780	(1/90)
58.	Booth Communications	125,437	(1/90)
59.	McDonald Group	125,000	(1/90)
60.	Susquehanna Broadcasting	117,109	(1/90)
61.	United Video Management	117,000	(1/90)
62.	Pencor Services	108,564	(1/90)
63.	Sonic Communications	97,837	(12/89)
64.	Midcontinent Cable Systems Co.	95,550	(6/89)
65.	WEHCO Video	95,666	(1/90)
66.	First Carolina Communications	94,253	(1/90)
67.	Gilbert Media	93,000	(1/90)
68.	Coaxial Communications	83,300	(5/89)
69.	Barden Cablevision	79,783	(1/90)
70.	James Cable Partners	76,756	(1/90)
71.	Mission Cable	74,223	(1/90)
72.	Douglas Communications	72,400	(1/90)
73.	Fanch Communications	65,000	(1/90)
74.	Chambers Communications	64,039	(1/90)
75.	Cardinal Comunications	61,287	(1/90)
76.	Leonard Communications	60,000	(10/89)
77.	Omega Communications	60,000	(8/89)
78.	Helicon Corp.	60,000	(1/90)
79.	InterMedia Partners*	60,000	(2/90)
80.	Telesat Cablevision Inc.	57,235	(6/89)
(82) 81.	Galaxy Cablevision	56,409	(2/90)
(81) 82.	State Cable TV	56,200	(1/90)
83.	Prestige Cable TV Inc.	52,774	(1/90)
84.	New England Cablevision	52,409	(1/90)
(94) 85.	Masada Corp.	52,000	(2/90)
(85) 86.	Joseph Gans Cable TV	51,000	(1/90)
(90) 87.	Star Cable Associates	49,196	(1/90)
(86) 88.	Rock Associates	49,053	(1/90)
(87) 89.	Donrey Media Group	49,040	(12/89)
(88) 90.	Republic Communications Corp.	47,000	(1/90)
(89) 91.	Cable America Corp.	46,101	(11/89)
(91) 92.	360 Corp.	45,000	(5/89)
(92) 93.	CableSouth Inc.	43,420	(10/89)
(93) 94.	Cable Holdings Inc.	43,135	(10/89)
95.	Eastern Connecticut Cable TV	41,820	(6/89)
96.	C4 Media	41,275	(7/89)
97.	Raystay Co.	40,447	(8/89)
98.	Acton Corp.	40,400	(3/89)
99.	Schurz Communications	40,078	(8/89)
100.	Benchmark Communications	38,000	(1/90)

( ) Rank last listing

*** reflects Hearst Cablevision of California sale**

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 345 Park Avenue So., 9th Floor, New York, NY 10010.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Long Island, NY	Cablevision Systems	522,405	(1/90)
2.	Orlando/Central Complex, FL	ATC	400,000	(10/89)
3.	San Diego, CA	Cox Cable	303,637	(6/89)
4.	San Antonio, TX	KBLCOM	234,835	(6/89)
5.	Manhattan, NY	ATC	231,864	(6/89)
6.	Puget Sound, WA	Viacom	225,800	(6/89)
7.	Phoenix, AZ	Times Mirror	220,968	(5/89)
8.	East Orange, NJ	Maclean Hunter	212,000	(6/89)
9.	Honolulu, HI	ATC	206,251	(10/89)
10.	Chicago (suburbs), IL	Continental	181,537	(9/89)
11.	Rochester, NY	ATC	180,000	(9/89)
12.	Houston, TX	Warner	179,000	(9/89)
13.	Wayne, NJ	UA Entertainment	176,838	(11/89)
14.	Louisville/Jeff. Co., KY	Storer Communications	170,000	(8/89)
15.	Brooklyn/Queens, NY	ATC	170,000	(1/90)
16.	Cherry Hill, NJ	Garden State Cable	168,000	(9/89)
17.	Cleveland, OH	Cablevision Systems	167,579	(1/90)
18.	Cincinnati, OH	Warner	167,000	(6/89)
19.	Atlanta, GA	Prime Cable	166,000	(9/89)
20.	Hampton Roads, VA	Cox Cable	164,699	(6/89)
21.	Fairfax, VA	Media General	164,519	(6/89)
22.	Connecticut Complex	Cablevision Systems	161,430	(1/90)
23.	Tulsa, OK	UA Entertainment	159,551	(7/89)
24.	Kansas City, MO	ATC	158,500	(11/89)
25.	Jacksonville, FL	Continental Cablevision	154,600	(5/89)
26.	Hartford/Plainville/Vernon, CT	UA Entertainment	152,683	(6/89)
27.	Montgomery County, MO/ Arlington, VA	Hauser	150,000	(1/90)
28.	Chicago, IL	TCI	148,857	(4/89)
29.	Charlotte, NC	ATC	148,850	(9/89)
30.	San Jose/Campbell, CA	Heritage	145,000	(6/89)
31.	Baltimore County, MD	Comcast	144,000	(6/89)
32.	Memphis/W. Memphis, TN	ATC	143,957	(10/89)
33.	Manhattan, NY	Paragon	143,500	(6/89)
34.	Pompano, FL	Continental	140,084	(9/89)
35.	Buffalo, NY	Adelphia Communications	139,515	(8/89)
36.	Denver (suburbs), CO	UA Entertainment	139,303	(6/89)
37.	San Diego, CA	ATC	135,300	(11/89)
38.	St. Louis, MO	Cencom	135,230	(8/89)
39.	San Francisco, CA	Viacom	134,000	(6/89)
40.	Austin, TX	ATC	126,100	(10/89)
41.	Martin/Stuart Co, FL	ATC	125,000	(10/89)
42.	Seattle, WA	TCI	124,613	(8/89)
43.	Warren, NJ	TKR	124,000	(2/90)
44.	Pinellas County, FL	Newhouse	114,000	(6/89)
45.	Hillsborough/Tampa, FL	Paragon	112,103	(1/90)
46.	Wilmington, DE	Heritage	112,000	(6/89)
47.	Tacoma, WA	Viacom	112,000	(6/89)
48.	Grand Rapids, MI	UA Entertainment	111,198	(6/89)
49.	San Diego County, CA	Times Mirror	111,029	(5/89)
50.	Toledo, OH	Blade Communications	110,785	(5/89)
51.	Southeast Michigan	Comcast	110,000	(6/89)
52.	Chicago Suburbs, IL	Jones	109,576	(5/89)
53.	Raleigh/Durham, NC	ATC	109,000	(9/89)
54.	Las Vegas, NV	Prime Cable	107,288	(5/89)
55.	Dallas, TX	Heritage	107,244	(6/89)
56.	Jefferson Parish/Kenner, LA	Cox Cable	106,332	(6/89)
57.	San Juan, PR	Multivision Cable	106,046	(6/89)
58.	Boston/Brookline, MA	Cablevision Systems	105,454	(1/90)
59.	Indianapolis, IN	Comcast	104,000	(6/89)
60.	Chicago, IL	Group W	102,374	(1/90)
61.	Richmond, VA	Continental	102,121	(10/89)
62.	Nashville, TN	Viacom	101,500	(6/89)
63.	Pittsburgh, PA	TCI	98,952	(8/89)
64.	Jackson, MS	ATC	98,915	(10/89)
65.	Monmouth, NJ	Sutton Capital	97,579	(9/89)
66.	Greensboro, NC	ATC	96,140	(10/89)
67.	St. Petersburg, FL	Paragon	95,412	(2/89)
68.	Columbus, OH	Warner	95,000	(9/89)
69.	Reading, PA	ATC	95,000	(10/89)
70.	Naples, FL	Palmer	94,450	(6/89)
71.	Worcester Complex, MA	Greater Media	94,897	(9/89)
72.	Albuquerque, NM	Jones Intercable	91,205	(12/89)
73.	Portland, OR	KBLCOM	91,500	(8/89)
74.	Dade/Broward County, FL	Storer	90,000	(8/89)
75.	Wichita, KS	Multimedia	88,732	(9/89)
76.	Independence,MO	Jones	88,628	(8/89)
77.	Minneapolis/St. Paul suburbs, MN	Hauser	88,000	(1/90)
78.	Tucson, AZ	Cooke	86,976	(8/89)
79.	Fresno, CA	Continental	86,317	(10/89)
80.	Akron, OH	Warner	86,000	(9/89)
81.	Fayetteville, NC	ATC	86,000	(10/89)
82.	Milwaukee, WI	Warner	86,000	(9/89)
83.	Harrisburg, PA	Sammons	85,200	(8/89)
84.	Orange County, CA	KBLCOM	85,100	(8/89)
85.	Baton Rouge, LA	UA Entertainment	84,976	(6/89)
86.	Dover/Morristown, NJ	Sammons	84,640	(8/89)
87.	South Bend, IN	Heritage	82,744	(6/89)
88.	Houston Suburbs, TX	Prime Cable	82,000	(6/89)
89.	Medford, MA	Warner	82,000	(6/89)
90.	Buffalo, NY	TCI	81,358	(7/89)
91.	W. San Fernando Valley, CA	CV Industries	81,178	(1/90)
92.	Oakland County, MI	UA Entertainment	80,564	(8/89)
93.	Oklahoma City, OK	Cox Cable	79,104	(6/89)
94.	New Orleans, LA	Cox Cable	78,979	(6/89)
95.	Providence/Warwick, RI	Times Mirror	78,528	(6/89)
96.	Allentown, PA	Service Electric	78,000	(8/89)
97.	Thousand Oaks, CA	Western	78,000	(8/89)
98.	Indianapolis, IN	ATC	75,715	(10/89)
99.	Omaha, NE	Cox Cable	75,625	(6/89)
100.	South Texas, TX	Heritage	75,560	(6/89)